Canadian Tourism Commission | Commission canadienne du tourisme

Canada

Tourism Snapshot

A focus on the markets in which the CTC and its partners are active

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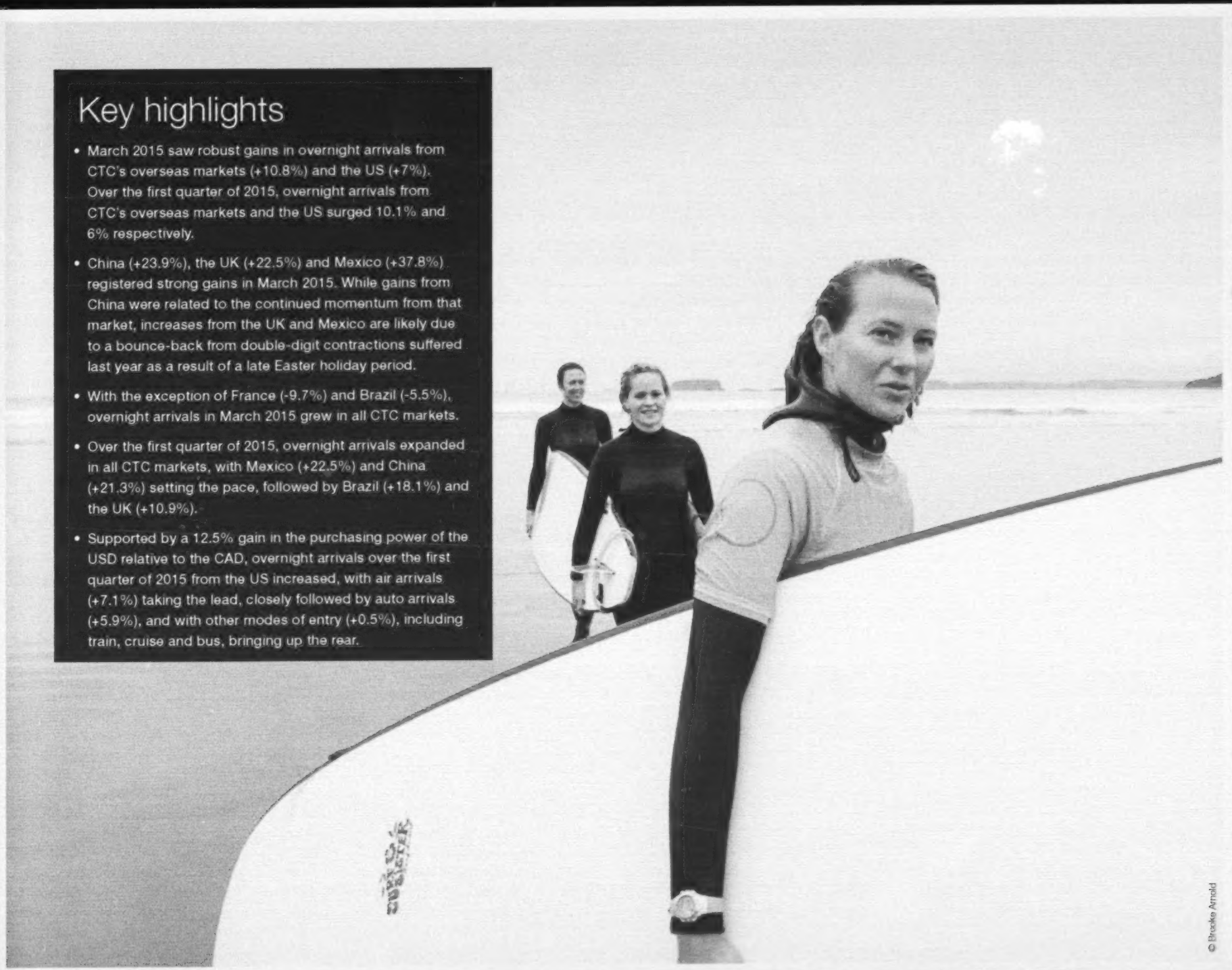
Key highlights

- March 2015 saw robust gains in overnight arrivals from CTC's overseas markets (+10.8%) and the US (+7%). Over the first quarter of 2015, overnight arrivals from CTC's overseas markets and the US surged 10.1% and 6% respectively.
- China (+23.9%), the UK (+22.5%) and Mexico (+37.8%) registered strong gains in March 2015. While gains from China were related to the continued momentum from that market, increases from the UK and Mexico are likely due to a bounce-back from double-digit contractions suffered last year as a result of a late Easter holiday period.
- With the exception of France (-9.7%) and Brazil (-5.5%), overnight arrivals in March 2015 grew in all CTC markets.
- Over the first quarter of 2015, overnight arrivals expanded in all CTC markets, with Mexico (+22.5%) and China (+21.3%) setting the pace, followed by Brazil (+18.1%) and the UK (+10.9%).
- Supported by a 12.5% gain in the purchasing power of the USD relative to the CAD, overnight arrivals over the first quarter of 2015 from the US increased, with air arrivals (+7.1%) taking the lead, closely followed by auto arrivals (+5.9%), and with other modes of entry (+0.5%), including train, cruise and bus, bringing up the rear.



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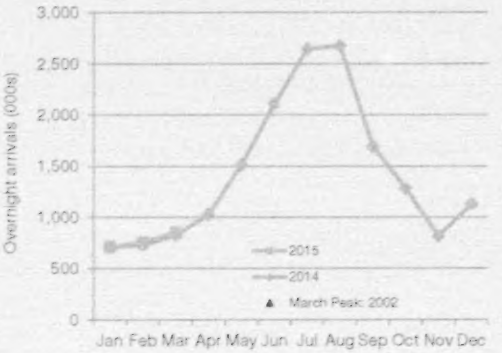
Tourism review Inbound highlights

Overnight trips to Canada

	Mar. 2015	15/14 Mar. % Change	Jan. - Mar. 2015	Year-to-date % Change
United States				
Automobile	337,548	6.9	910,074	5.9
Air	216,511	6.7	567,558	7.1
Other	37,906	10.1	97,584	0.5
US Total	**591,965**	**7.0**	**1,575,216**	**6.0**
Europe Markets*				
UK	37,895	22.5	93,938	10.9
France	20,482	-9.7	70,669	5.2
Germany	14,712	5.5	37,370	1.3
Europe Markets Total	**73,089**	**8.2**	**201,977**	**7.0**
Asia-Pacific Markets*				
Japan	18,591	2.4	43,114	2.2
South Korea	8,712	8.2	27,891	7.4
China	22,778	23.9	81,082	21.3
India	8,958	4.3	24,155	8.4
Australia	10,142	7.2	40,751	4.8
Asia-Pacific Markets Total	**69,181**	**10.5**	**216,993**	**10.6**
Latin America Markets*				
Mexico	13,935	37.8	33,305	22.5
Brazil	4,679	-5.5	21,228	18.1
Latin America Markets Total	**18,614**	**23.5**	**54,533**	**20.8**
Overseas Key Markets	**160,884**	**10.8**	**473,503**	**10.1**
Total 11 CTC Markets	**752,849**	**7.8**	**2,048,719**	**6.9**
Other Overseas Countries	98,536	8.0	269,390	5.7
Non-US Countries	259,420	9.7	742,893	8.4
Total Countries	**851,385**	**7.8**	**2,318,109**	**6.8**

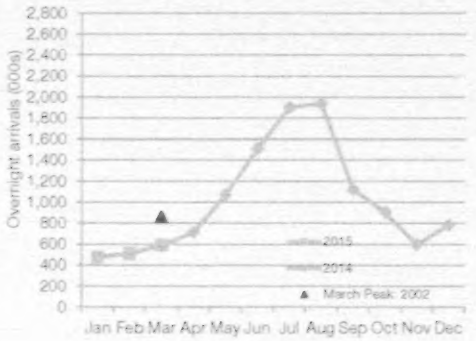
Note: Statistics Canada preliminary estimates.
* In previous editions, Asia-Pacific and Latin America Markets were referred to as "Emerging/Transition" Markets and the "Core Markets" included Europeans markets and Australia. As of January 2015, markets grouping were reclassified on a geographic basis.
Source: Statistics Canada, International Travel Survey.

International trips



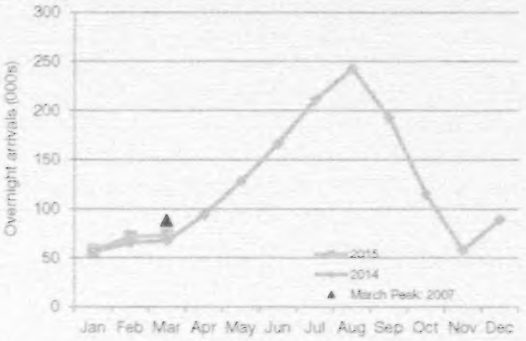
- Canada welcomed 851,385 international visitors in March 2015, up 7.8% compared to the same month in 2014. In the first three months of 2015, Canada recorded 2,318,109 international arrivals, up 6.8% relative to 2014. The international visitor peak on record during the month of March is 1,078,440 visitors, which occurred in 2002.
- In March 2015, overnight arrivals from CTC's European markets increased 8.2% thanks to strong growth in arrivals from the UK (+22.5%) and Germany (+5.5%), and despite a decline from France (-9.7%) relative to March 2014.
- Overnight arrivals from CTC markets in Asia-Pacific (+10.5%) and Latin America (+23.5%) grew significantly in March, achieving the highest level of arrivals for this month ever, thanks to strong growth from Mexico (+37.8%), China (+23.9%), South Korea (+8.2%) and India (+4.3%).

United States



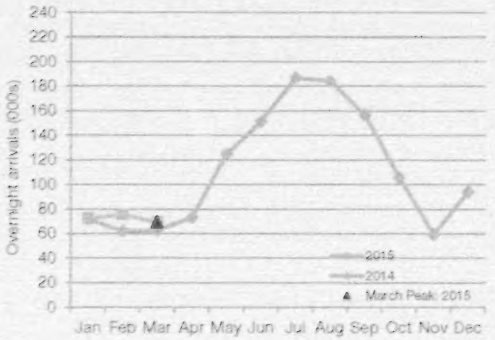
- In March 2015, gains in US arrivals by automobile (+6.9%), air (+6.7%) and by other modes of transport (10.1%), resulted in a 7% increase in total US overnight arrivals over March 2014. The improvement from the US occurred amid a more favourable exchange rate for US visitors, as the US dollar appreciated 12.5% against the Canadian dollar over the first quarter of 2015 relative to the same period in 2014.
- About 592,000 US overnight visitors visited Canada in March 2015. The US visitor peak on record during the month of March occurred in 2002 with 858,000 overnight trips.

Europe Markets



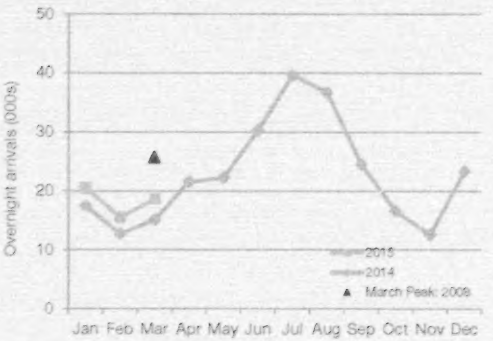
- Two of the three CTC markets in Europe registered gains in March 2015. Amid a weaker euro (but stable British pound) relative to the Canadian dollar, UK (+22.5%) and Germany (+5.5%) arrivals rose, while visits from France declined 9.7% relative to March 2014 after several consecutive months of strong growth.
- The surge in overnight arrivals from the UK is likely due to a bounce-back from double-digit contractions suffered last year as a result of a late Easter holiday period. Overnight arrivals from the UK are on par with arrivals recorded in 2013.
- In March 2015, Canada welcomed 73,100 visitors from CTC Europe markets, considerably less than the peak of 87,750 recorded in March 2007.

Asia-Pacific Markets



- Arrivals grew from all five CTC markets in the Asia-Pacific region in March 2015.
- Arrivals from Japan (+2.4%) rose slightly in March after several months of strong growth aided by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto in recent months. From January to March 2015, overnight visitation from Japan rose 2.2% compared to the same period in 2014.
- In March 2015, India (+4.3%) continued to post healthy gains in overnight visitations. The launch of the CAN+ Visa program in India in July 2014 has contributed to sustained growth over the past few months. Year-to-date March 2015, arrivals from India are up 8.4%.
- Arrivals from China increased by 23.9% in March 2015 as the Chinese outbound travel market continues on a path of sustained growth. Year-to-date, arrivals from China are up 21.3% relative to 2014, making China the second-largest overseas inbound market after the UK.
- South Korea registered an increase in arrivals (+8.2%) in March 2015, which was facilitated by a slight increase in air capacity on Seoul-Vancouver flights in recent months. During the three first months of 2015, arrivals from South Korea have increased 7.4% relative to the same period last year.
- Arrivals from Australia rose 7.2% in March following a decline in February in part due to poor ski conditions in Western Canada during the Australian vacation period. Year-to-date March 2015, arrivals from Australia are up 4.8%.
- In March 2015, the number of visitors from the Asia-Pacific markets reached a new peak for this month with about 69,200 overnight visitors to Canada.

Latin America Markets



- The CAN+ Visa program implemented in Mexico in May 2014 continued to facilitate the strong growth (+37.8%) in visitors from that country in March—the eleventh consecutive month of double-digit growth. However, a share of the growth recorded in March is related to Easter occurring at the beginning of April this year, as Mexican travellers took advantage of the four-day holiday weekend. Overnight arrivals from Mexico were up 3% relative to arrivals recorded in March 2013. We anticipate a slower growth arrival figure from Mexico in April 2015 due to the Easter effect. In the first three months of 2015, arrivals from Mexico are up 22.5%.
- In March 2015, overnight arrivals from Brazil sustained a 5.5% decline, which tempered the strong growth achieved over the first quarter of 2015 (+18.1%). Growth in visitation from Brazil over the first quarter of 2015 was facilitated by the launch of a pilot project of the CAN+ Visa program in that country in recent months as well as the new Rio de Janeiro-Toronto flight, which started in December 2014.

Peak Year Review of Overnight Trips to Canada by Market – January to March

	Europe			United States		Asia Pacific					Latin America	
Markets	France	Germany	United Kingdom	Total	Air Only	Australia	China	India	Japan	South Korea	Brazil	Mexico
Previous Peak Year	2012	1996	2008	2003	2005	**2013**	**2014**	**2014**	1997	2007	**2013**	2008
Arrivals During Previous Peak Year	72,010	45,637	142,692	2,018,302	709,839	**39,236**	**66,870**	**22,278**	94,186	36,172	**18,650**	47,470
YTD March 2015 Total Arrivals	70,669	37,370	93,938	1,575,216	567,558	**40,751**	**81,082**	**24,155**	43,114	27,891	**21,228**	33,305
Current % of Previous Peak	98.1%	81.9%	65.8%	78.0%	80.0%	**103.9%**	**121.3%**	**108.4%**	45.8%	77.1%	**113.8%**	70.2%

Note: Statistics Canada preliminary figures
Sources: Statistics Canada.

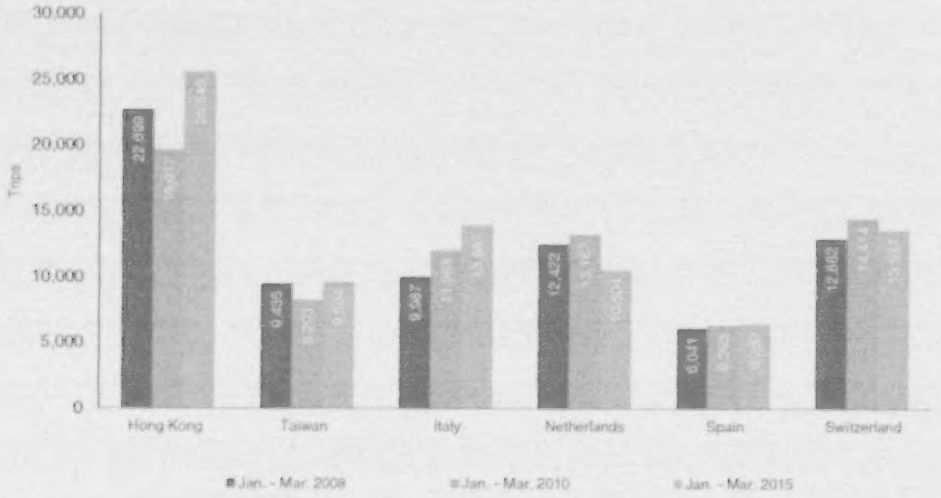
Peak achieved during 2015

- From January to March 2015, four markets—Australia, India, Brazil and China—achieved their highest level of overnight arrivals ever.
- In the three first months of 2015, arrivals from the UK, Germany, Mexico, South Korea and the US achieved 66% to 82% of their peaks, recorded in 2008, 1996, 2008, 2007 and 2003 respectively.
- US arrivals by air during the three first months of 2015 totalled over 567,500 overnight visits to Canada, which represents 80% of the peak recorded in 2005.
- From January to March 2015, arrivals from Japan achieved 46% of the peak recorded in 1997.

Market Watch

- In March 2015, two of the four secondary European markets recorded gains compared to the same period in 2014. Arrivals from Italy (+14.6%) and Spain (+5.3%) rose, while overnight visits from the Netherlands (-7.0%) and Switzerland (-0.1%) declined.
- During the three first months of the year, gains were registered from Italy (+17.7%), Switzerland (+4.2%) and Spain (+0.4%), while losses were recorded from the Netherlands (-3.0%).
- In March 2015, strong visitation growth was registered in both secondary Asian markets, with arrivals from Hong Kong rising 34.9% and visits from Taiwan increasing 24.5% relative to March 2014.
- Since the beginning of the year, arrivals from Hong Kong rose 20.1% and arrivals from Taiwan increased 18.4% relative to the same period in 2014.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	Mar. 2015	15/14 Mar. % Change	Jan. - Mar. 2015	Year-to-date % Change
Italy	4,787	14.6	13,887	17.7
Netherlands	2,475	5.3	6,350	0.4
Spain	3,803	-7.0	10,504	-3.0
Switzerland	4,446	-0.1	13,537	4.2
Hong Kong	8,437	34.9	25,546	20.1
Taiwan	3,245	24.5	9,604	18.4

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

International Arrivals by Province of Entry to Canada

Non-Residents Overnight Arrivals to Canada by province of Entry, January to March 2015

	Total One or more nights			US Residents by Automobile			US Residents by Non-Automobile			Residents from Other Countries		
	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014	2015	"Variance 2015/2014"	Change over 2014
Newfoundland	5,610	5.3%	280	-	-	-	1,482	0.2%	3	4,128	7.2%	277
Prince Edward Island	23	360.0%	18	-	-	-	-	0.0%	-	23	0.0%	18
Nova Scotia	8,754	1.5%	129	-	-	-	5,173	12.1%	557	3,581	-10.7%	(428)
New Brunswick	13,944	-4.9%	(725)	13,202	-2.3%	(308)	525	-43.4%	(402)	217	-6.5%	(15)
Quebec	366,589	5.3%	18,399	131,165	4.3%	5,374	103,352	2.5%	2,558	132,072	8.6%	10,467
Ontario	1,031,901	7.3%	70,378	425,554	6.1%	24,618	300,507	6.4%	17,974	305,840	10.0%	27,786
Manitoba	28,444	9.6%	2,501	16,450	14.5%	2,087	10,484	5.3%	526	1,510	-6.9%	(112)
Saskatchewan	11,078	-2.1%	(232)	4,707	-0.9%	(42)	5,270	-10.0%	(587)	1,101	56.4%	397
Alberta	130,419	-0.4%	(580)	10,568	6.4%	635	76,454	-3.2%	(2,550)	43,397	3.2%	1,335
British Columbia	716,996	8.4%	55,787	304,604	6.3%	17,998	161,809	14.0%	19,815	250,583	7.7%	17,974
Yukon	4,351	23.1%	816	3,824	19.9%	636	86	65.4%	34	441	49.5%	146
Canada	**2,318,109**	**6.8%**	**146,771**	**910,074**	**5.9%**	**50,998**	**665,142**	**6.0%**	**37,928**	**742,893**	**8.4%**	**57,845**

Source: ITS Border Counts, March 2015, Statistics Canada

- During the three first months of 2015, the largest increases in total international arrivals to Canada were recorded through Ontario (+70,378, +7.3%), British Columbia (+55,787, +8.4%) and Quebec (+18,399, +5.3%).
- All three provinces registered gains in US arrivals by automobile and non-automobile modes as well as from overseas.
- Manitoba saw a significant increase in the number of total international arrivals (+2,501, +9.6%) and US arrivals by automobile (+2,087, +14.5%).
- Alberta (-0.4%), Saskatchewan (-2.1%) and New Brunswick (-4.9%) were the only three provinces to see a contraction of total international arrivals during the three first months of the year. In these three provinces, the declines were relatively small in real terms and may have been caused by harsh winter weather conditions in the beginning of the year.

Competitive review (January - December 2014)

Information updated to 2015 was unavailable at time of writing due to delays in the releases of inbound arrivals figures for the month of January from the Australian Bureau of Statistics (ABS) and from the US Office of Travel and Tourism Industries (OTTI). Therefore, we included the competitive review comparing inbound statistics for Canada and the US for the full year 2014.

International Travel (in thousands)

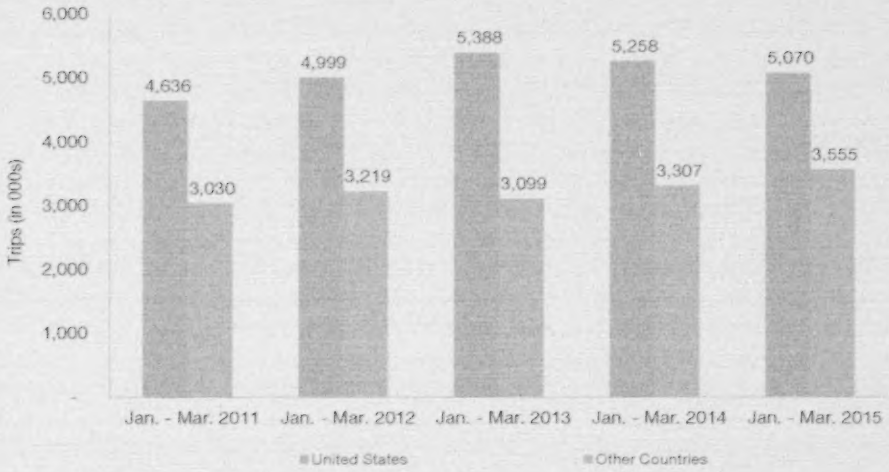
	Trips To:			
	Canada		United States	
Trips From:		14/13 Change		14/13 Change
Total International	**16,528,338**	**2.9%**	**74,728,706**	**6.9%**
United States	11,514,572	0.3%	...	...
Canada	...	...	23,003,055	-1.7%
Europe				
United Kingdom	676,328	4.7%	3,972,655	3.6%
France	482,362	5.0%	1,624,604	8.0%
Germany	326,808	5.0%	1,968,536	2.7%
Asia-Pacific				
Australia	280,808	6.3%	1,276,124	5.9%
Japan	258,457	14.9%	3,579,363	-4.0%
South Korea	163,089	12.8%	1,449,538	6.6%
China	454,030	28.8%	2,188,387	21.0%
India	175,536	19.3%	961,790	11.9%
Latin America				
Mexico	172,604	14.4%	17,334,495	19.2%
Brazil	99,901	6.6%	2,263,865	9.9%
Total CTC Key Markets	**14,331,990**	**2.2%**	**40,024,052**	**1.0%**

...Not applicable
n/a - not available
Note: Statistics Canada revised figures. Note that Statistics Canada revised the 2013 and 2014 international travel survey figures in February 2015. These updated figures are different from those previously published in the Tourism Snapshot
Sources:
Statistics Canada, International Travel Survey Frontier Counts
U.S. Department of Commerce, ITA, National Travel and Tourism Office

- During 2014, the US registered a large increase in total international arrivals (+6.9%), outpacing the rate recorded in Canada (+2.9%) over 2013.
- In CTC key markets, the US registered a 6% increase, while arrivals to Canada from these markets rose 2.3% relative to 2013.
- The US posted a decline in arrivals from Canada (-1.7%) from January to December 2014. In comparison, US arrivals to Canada increased 0.3% during the same period.
- From January to December 2014, the US registered larger gains than Canada in arrivals from Mexico (+19.2% vs +14.4%), France (+8.0% vs +5.0%) and Brazil (+9.9% vs +6.6%) relative to 2013.
- Canada registered larger gains than the US in arrivals from all other CTC key markets during 2014, particularly outpacing the US in arrivals from Japan (+14.9% vs -4.0%), South Korea (+12.8% vs +6.6%), China (+28.8% vs +21.0%) and India (+19.3% vs 11.9%).

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips by Canadians

	Mar. 2015	15/14 Mar. % Change	Jan. - Mar. 2015	Year-to-date % Change
United States	2,076,862	-5.7	5,070,313	-3.6
Other Countries	1,315,232	8.2	3,554,562	7.5
Total Trips from Canada	3,392,094	-0.8	8,624,875	0.7

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

- In March 2015, Canadian outbound travel decreased 0.8% over the same month last year to 3.39 million trips amid a less favourable exchange rate relative to the USD.
- Many Canadians chose an overseas destination over the US in March 2015 amid a 10% year-over-year depreciation of the loonie relative to the USD. While the number of overnight trips by Canadians to the US declined by 5.7% year-over-year, it increased by 8.2% to overseas destinations.
- In the first three months of 2015, outbound trips by Canadian residents rose 0.7% compared to 2014 to 8.64 million. The number of trips south of the border declined 3.6%, while trips to other destinations increased 7.5% relative to 2014.
- In March 2015, most Canadian residents returned to the country from overseas through Ontario (613,400 re-entries, +9.5%), Quebec (296,900 re-entries, +10.7%) and BC (197,850 re-entries, +8.5%).
- In March 2015, Canadian residents returning home from the US primarily re-entered Canada through Ontario (1,025,350 re-entries, -3.8%), BC (424,280 re-entries, -5.4%) and Quebec (302,000 re-entries, -5.8%).

Consumer outlook

Consumer confidence

- **Canada:** The index of consumer confidence rose 12.9 percentage points in March to land at 108.5 (2014 = 100), despite signs of a slowing Canadian economy since the beginning of the year.
- **USA:** The Conference Board Consumer Confidence Index® increased in March following a decrease in February. The Index stood at 101.4 (1985=100) in March, up from 98.8 in February, indicating a slight improvement in the confidence of consumers towards the US economy.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In March 2015, the National Occupancy Rate declined 0.6 points to 58.6%. Yukon registered the largest increase (+4.4 points), followed by Nova Scotia (+4.1 points) and PEI (+3.8 points), while the highest occupancy rates were in the Northwest Territories (81.3%), Yukon (67.9%) and Manitoba (62.9%).
- Since the beginning of 2015, the National Occupancy Rate has declined (-0.3 points to 55.4%) compared to the previous year. BC (+3.3 points), Manitoba (+2.5 points) and PEI (+2.0 points) recorded the largest gains in hotel occupancy during the three first months of the year. The highest occupancy rates during the first three months of the year were in the Northwest Territories (69.7%), Manitoba (58.3%) and Alberta (58.0%).
- During the first three months of 2015, the National Average Daily Rate rose to $133.40, up 3.0% compared to 2014. Yukon (+8.8, $108.41%), PEI (+8.5%, $97.05) and BC (+4.9%, $135.94) recorded the highest increases in average daily hotel rates.
- During the same three months, the National Average Revenue per Available Room (RevPAR) was $73.84 (+2.5%), with PEI (+15.2%, $33.01), BC (+11.3%, $77.56) and Quebec (+7.0%, $78.25) posting the largest growth.

Canadian Occupancy Rates, By Province*

	Mar. 2015	15/14 Change^	Jan. - Mar. 2015	Year-to-date Change^
Alberta[1]	60.2	-9.3	58.0	-6.8
British Columbia	61.1	2.9	57.1	3.3
Saskatchewan	56.0	-7.2	54.7	-5.1
Manitoba	62.9	2.0	58.3	2.5
Ontario	58.7	1.0	55.1	0.3
Quebec	57.5	0.8	56.3	1.5
New Brunswick	45.6	-5.7	41.2	-4.5
Nova Scotia	58.3	4.1	49.0	0.1
Newfoundland	55.3	-0.7	51.8	0.6
Prince Edward Island	32.9	3.8	34.0	2.0
Northwest Territories	81.3	2.4	69.7	-3.8
Yukon	67.9	4.4	52.5	-3.0
Canada	**58.6**	**-0.6**	**55.4**	**-0.3**

* Note: Based on the operating results of 221,876 rooms (unweighted data)
^ Percentage points.
[1] Excluding Alberta resorts.
Source: PKF Consulting Inc. with raproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.

CTC Market Research & Evaluation